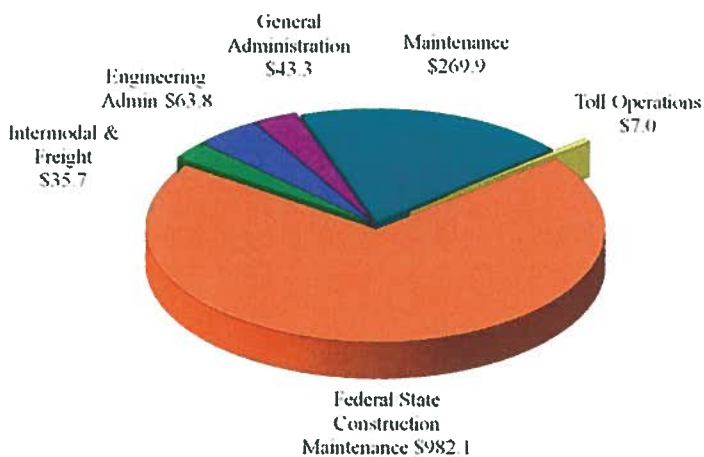




Budget, Cash Management and Organizational Update

Presented January 19, 2012
SCDOT Secretary of Transportation
Robert J. St. Onge, Jr.

SCDOT SFY 2012 –13 \$1.401 B Appropriations Budget



January 19, 2012

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SCDOT SFY 2012 –13 \$1.401 B Governor's Executive Budget

- Unveiled Jan 13, 2012 by Governor Haley
- House & Senate Hearings Upcoming
- Includes \$484 M State & \$815 M Federal Revenues
- Proposes \$75 M for Road Removal Efforts
- PRAM & Cash Flow Model Improved Budget Calculation



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Reorganization

- New Deputy Secretary for Finance and Administration appointed
- Chief Financial Officer hired
- Administrative functions more effectively aligned under a Support Services division
- Customer Relations Office being established
- Seeking to hire Chief Procurement Officer to centralize procurement functions



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Reorganization – Manpower Analysis

- Manpower Management Task Force appointed
- Will analyze current workforce to determine manpower requirements
- Will make recommendations on:
 - the effective distribution of FTEs
 - positions that can be repurposed
 - positions that may be more effectively outsourced (or insourced)
 - manpower management procedures that need to be in place



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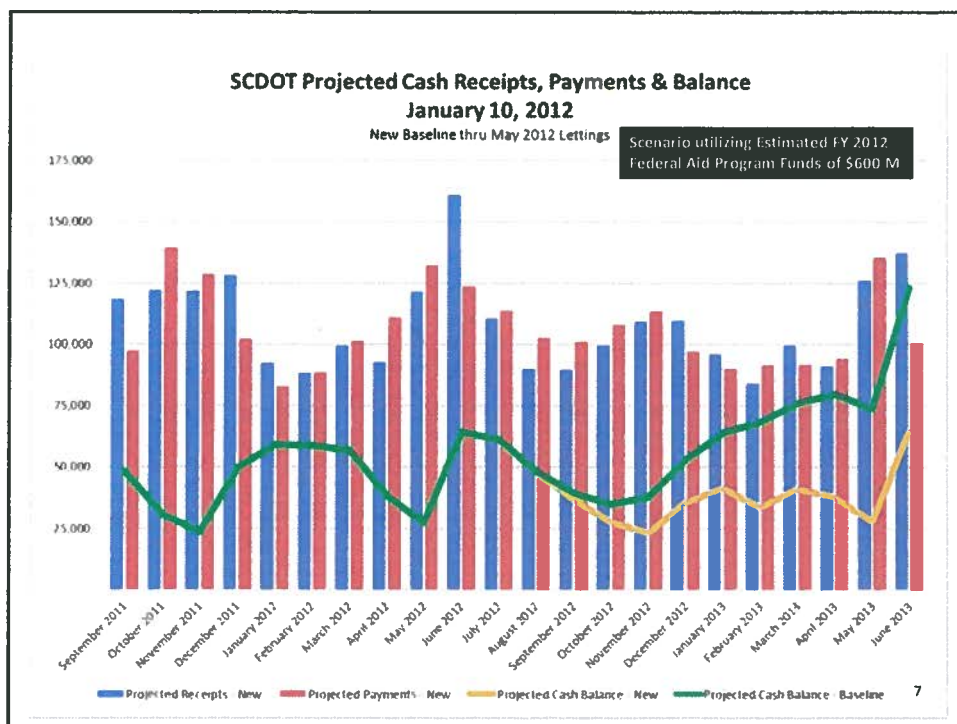
Reorganization – Project & Resource Analysis

- Meets weekly to assess projects against available resources
- Dialogue enhanced in major divisions that deal with budget, procurement, obligations and cash flow
- Major Payout Inputs:
 - Construction Contracts
 - Maintenance Operations
 - Procurement
 - Payroll
 - Debt Service Payments
 - Consultant Contracts
- Revenue Inputs:
 - Projected Federal Reimbursements
 - Projected State Gas Tax Revenues
 - Non-Federal Aid Highway Funds



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Current Cash Status

as of January 18, 2012

- Approximately \$60 M in supplier, contractor & consultant payments sent to the Comptroller General thus far in January
- Cash balance as of January 18 = \$38.8 Million
 - \$2 Million AP Payments at the CG's Office being processed
 - \$5 Million Remaining Recurring Monthly Expenses and Debt Service
 - \$14 Million Additional Planned AP payments
- Additional Federal Reimbursement expected Jan 23 = \$34 Million
 - \$21 Million Additional January Planned AP payments
- SCTIB payments are current
- Next Receipt of State Motor Fuel Revenues Feb 7 = \$38 Million (estimated)



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Accounts Payable Report as of Jan 17, 2012

	# of Invoices	% of Invoices	Value	% of TOTAL Value
Construction Contractor Estimates	183	17%	\$ 47,065,306	88%
Purchase Orders	599	56%	\$ 3,543,822	7%
Other (ROW Acquisitions, Claims, Travel, Utilities, etc)	288	27%	\$ 2,806,020	5%
Consultant Agreements	8	1%	\$ 283,593	1%
TOTAL	1078		\$ 53,698,741	

*Interdepartmental Transfers are excluded.



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Aging Report as of Jan 17, 2012

Based on 30 Business Day Requirement

Construction Contractors
\$47.1 M (183 items)



Consultants
\$0.3 M (8 items)



Purchase Orders
\$3.5 M (599 items)

■ 1-30 Business days
■ 31-45 days
■ 46-60 days
■ greater than 60



Other
\$2.8 M (288 items)



January 19, 2012

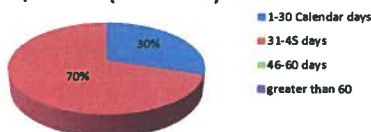
10

Aging Report

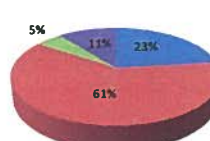
as of Jan 17, 2012

Based on 30 Calendar Day Goal

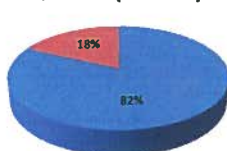
Construction Contractors \$47.1 M (183 items)



Purchase Orders \$3.5 M (599 items)



Consultants \$0.3 M (8 items)



Other/Utilities \$2.8 M (288 items)



January 19, 2012

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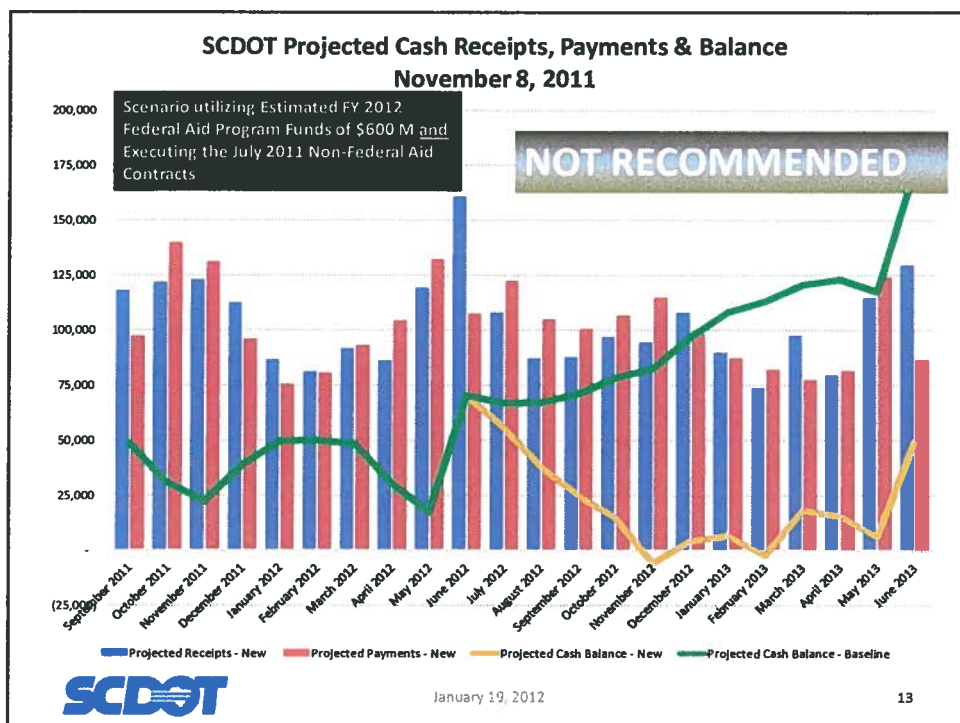
Efforts Underway to Address Cash Flow

- Utilizing SCEIS effectively (accuracy of data entry & reporting)
- Revising workflow to address inefficiencies
- Increasing frequency of federal reimbursements from 2 to 3 per month
- Process vendor and contractor payments daily instead of batching
- Working closely w/Federal Highway Administration
 - Indirect cost recovery
 - Labor distribution charges
 - Capturing previously unrequested federal-aid reimbursements
- Slowing pace of work
- Implemented payment specification schedule for new contracts
- Reducing previously planned non-federal aid projects



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Path Forward

- Continue to conserve state funds
- Maintain average cash balance between \$25M and \$75M
- Maximize amount, frequency and timing of receipt of federal reimbursements
- Continue to refine and test Cash Flow Model
- Pace future construction projects and other operational activities
- Memorialize management procedures